

## CENTRAL INTELLIGENCE AGENCY

## INFORMATION REPORT

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SECURITY INFORMATION

COUNTRY	East Germany	REPORT		50X1-HUM
SUBJECT	Wage Problems at VEB Otto Grotewohl, Boehlen	DATE DISTR.	19 November 1953	
		NO. OF PAGES	1.	
DATE OF INFO.		REQUIREMENT NO.	RD	
PLACE ACQUIRED		REFERENCES		50X1-HUM

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1. The director (Werkleiter) of VEB Kombinat Otto Grotewohl Boehlen, Kahn (fnu), was dismissed during the first half of September 1953 and replaced by the technical director of the enterprise. Kahn's dismissal came after he was accused by the government of a faulty wage policy in the plant.

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2. There are three wage scales in the Boehlen enterprise, one for the workers of the gasoline plant, one for those of the power plant, and one for those of the lignite processing plant. The wages of the lignite workers are the highest. When a worker is temporarily transferred from other plants to the lignite processing plant, his wages automatically increase, and they decrease again when he returns to his former place of work. On 17 June 1953, the Boehlen workers did not strike, but they took the opportunity to formulate insistent demands for a unified wage scale, whereby the scale of the lignite workers was to become the standard. Director Kahn went to Berlin and obtained promises from the State Secretary for Chemistry and from the Minister of Finance that the workers' demands would be met. On 22 June 1953, the workers threatened to strike unless binding promises were made. Kahn promised the early introduction of the wage scale of the lignite workers as the overall wage scale. After the June riots subsided, the government went back on its promise. It maintained that the introduction of a unified wage scale would involve additional expenses of about three million DME per year. As the withdrawal of the promise created new unrest among the workers and since the government had to make a face-saving gesture, it was announced that Kahn had made the promise without proper authorization. In order to substantiate the announcement, Kahn was summarily fired.

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